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Vol. 115 No. 21

The winner is...

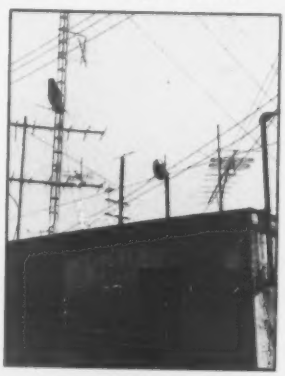
Early projections by some network observers and analysts show repeat of last year's network prime time race. **PAGE 19.**

Bird assignments...

FCC assigns slots for nine new and 10 replacement domestic fixed satellites. None of seven satellite operators who have applied are locked out. **PAGE 21.**

Wire and remembrance...

As cable television turns 40, BROADCASTING traces medium's growth from small town reception-only medium (at right) to multi-billion dollar industry reaching 52% of U.S. homes, keyed by ability to deliver programing via satellite, as illustrated by Media General's earth station at its Fairfax, Va., cable system, a picture of which opens this special report on **PAGE 35.**



20/STATUS QUO

Buyers say syndicated programing sales activity will be on par with last year.

22/OVER THERE

NBC taps video news agency, Visnews, to syndicate NBC News programs and footage worldwide.

25/ONCE-OVER

Many of most highly respected specialists in advanced TV development convene in Springfield, Va., to explore strengths and weaknesses of proposed transmission systems for terrestrial delivery of advanced TV in U.S.

27/TWO MEN'S 'FAMILY'

"We amuse and offend, but we try to amuse first." That's the motto of Fox Broadcasting's bad boys of the sitcom circuit,

Cast of 'Married...with Children'

Married... with Children producers Ron Leavitt and Michael Moye.

56/REGULATORY PREVIEW

At New York seminar, media watchers assess future of federal broadcasting policy.

Zubin Mehta conducts New York Philharmonic

50/STOP THE MUSIC

New York Philharmonic radio network, unable to find replacement sponsor for Exxon Corp., says it will conclude its broadcast series Dec. 25. It is third nationally distributed classical program to lose corporate funding in recent months.

57/PREPARED TO FIGHT

Panelists attending National Advertising Law and Business Conference address potential advertising reregulation on several fronts. Says AAF President Howard Bell: "Our toughest fights are yet to come."

58/EXIT POLL

With its abundance of sound bites, visuals and polls, election '88 is noteworthy for media's involvement in story. Critics say fascination with tactics and strategy distracted media—and thereby public—from substance of presidential contest. But in-depth coverage was available for those who wanted it.

60/CHANGE AHEAD

New majority owner in British satellite TV service, Super Channel, plans to turn unprofitable service into multi-lingual, music-dominated programer aimed at Europe's younger audiences.

61/GRIDIRON GLASNOST

Two U.S. college football teams will meet on Moscow gridiron next fall for match televised in U.S. and Soviet Union.

63/HDTV NEWS

According to some broadcast and cable television experts, there will be mix of HDTV transmission systems; widespread consumer marketing of HDTV may be as much as decade away.

87/UBIQUITOUS

George Gillett has combined even-handed management style with golden touch for deals to make place for himself in Fifth Estate.

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Where Things Stand

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■ *Solid box denotes items that have changed since last issue.*

AM-FM Allocations

NAB and other broadcast groups oppose FCC's proposed expansion of service to allow for local origination by translators, asking that rules establish translators as secondary services to fill in underserved areas of full-power stations and not as "low-power FM" stations.

NAB opposed proposal to authorize FM's using directional antennas and permitting allocation of stations in short-spaced positions, saying that an increase in FM directional antennas would lead to AM-ization of FM band. Some broadcast groups, however, favored more flexibility for FM broadcasters seeking suitable sites to locate transmission facilities.

Western hemisphere countries on June 2 concluded second and final session of conference to plan use of 100 khz of spectrum added to AM band that had ended at 1605 khz. FCC is in midst of inquiry designed to help it determine how to use 10 new channels. Commission has indicated some channels will be reserved for national licensees.

BY THE NUMBERS

Summary of broadcasting and cable

BROADCASTING

SERVICE	ON AIR	CP's	TOTAL*
Commercial AM	4,915	278	5,193
Commercial FM	4,116	606	4,722
Educational FM	1,356	265	1,621
■ Total Radio	10,387	1,149	11,536
FM translators	1,625	439	2,064
Commercial VHF TV	543	19	562
Commercial UHF TV	506	205	711
Educational VHF TV	119	7	126
Educational UHF TV	214	29	243
■ Total TV	1,382	260	1,642
VHF LPTV	109	164	273
UHF LPTV	290	1,165	1,455
■ Total LPTV	399	1,329	1,728
VHF translators	3,060	109	3,169
UHF translators	2,198	338	2,536
ITFS[2]	250	114	364
Low-power auxiliary	824	0	824
TV auxiliary	7,430	205	7,635
UHF translator/boosters	6	0	6
Experimental TV	3	5	8
Remote pickup	12,338	53	12,391
Aural STL[3] & intercity relay	2,836	166	3,002

CABLE†

Total subscribers	47,042,000
Homes passed	73,900,000
Total systems	8,000
Household penetration†	52.8%
Pay cable penetration	32%

* Includes off-air licenses. † Penetration percentages are of TV household universe of 90.4 million. [1] Construction permits. [2] Instructional TV fixed service. [3] Studio-transmitter link.

AM Stereo

Motorola's C-Quam AM stereo system has become virtual de facto standard, with adoption by 657 stations worldwide. Kahn system holds on to favor with about 100 stations.

Antitrafficking

Issue essentially boils downs to reimposition of three-year rule, which required owners to hold broadcast properties for that long before selling. Quiescent at moment.

Cable Regulation

Cable television industry remains under fire on allegations it is "unregulated monopoly." Cities may push for overhaul of Cable Communications Policy Act next year to strengthen their regulatory grip on cable and to provide entry for telephone companies to offer competitive services. Motion picture industry and independent broadcasters have also been pushing for stricter regulation of cable until there is more competition in delivering cable programing to homes. House Commerce Committee Chairman John Dingell (D-Mich.) has warned cable to be on best behavior or Congress may reevaluate regulatory environment. Oversight hearings have been held by House Telecommunications Subcommittee and Senate Antitrust Subcommittee.

Children's Television

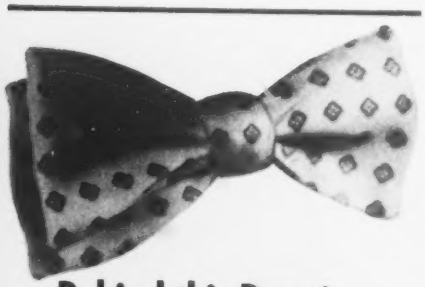
Proponents of children's television legislation suffered blow at hands of President Reagan, who issued pocket veto of bill on Nov. 5.

group during meeting held Nov. 14-18 in Washington.

FCC tentatively decided to eliminate from standardization consideration transmission systems with continuous 9 mhz channel, incompatible with NTSC sets. Move eliminates possibility of terrestrial standardization of NHK's MUSE-E. Commission also decided to restrict any possible additional spectrum for advanced television broadcasting to currently allotted VHF and UHF television spectrum. Use of band above 1 ghz for augmentation channels was ruled out.

At same time, FCC released inquiry asking which of four high-definition transmission methods will be most suitable: one 6 mhz channel; 6 mhz channel with 3 mhz augmentation channel; 6 mhz channel with 6 mhz augmentation channel; or 6 mhz NTSC channel and simulcast noncompatible high-definition 6 mhz channel. Comments on issues raised in inquiry are due Nov. 31.

Telecommunications Subcommittee held hearing in September focusing on economic and trade implications of new technology. Subcommittee Chairman Ed Markey (D-Mass.) expressed desire to see U.S. industry take part in development and manufacture of HDTV equipment. Markey has asked Electronic Industries Association, American Electronics Association and Semiconductor Industry Association to submit report (no later than Jan. 4, 1989) recommending policy that would encourage U.S. activity in area. FCC's HDTV advisory task force and NTIA also were asked to prepare report on subject.



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Home Satellite

■ Giving shot in arm to struggling home satellite industry, 100th Congress passed copyright legislation authorizing transmission of broadcast television signals via satellite to backyard dish owners. (President Reagan signed bill on Nov. 16.) Under its terms, independent television signals can be beamed to any of more than two million dish owners, but network affiliate signals can only be delivered to those in "white areas"—those not able to receive network programing off air and not choosing to receive it via cable.

Other legislation designed to help home satellite industry did not fare as well. S 889 died in Senate after lawmakers voted 43 to 36 to table measure. In unexpected move, bill's chief proponent, Senator Al Gore (D-Tenn.), offered it as amendment to tax legislation on Friday evening, Oct. 7. It would have required cable programers to permit any qualified third party to distribute their services to backyard dish (TVRO) owners.

Momentum behind S 889 was believed to have weakened because of announcement that National Rural Telecommunications Cooperative (noncable distributor serving dish owners) had closed deals with five leading cable programers; move many observers feel persuaded lawmakers that congressional intervention is unnecessary.

Indecency

President Reagan signed into law on Oct. 1 congressional spending bill that requires FCC to enforce its indecency policy around clock (BROADCASTING, Oct. 3). FCC has until Jan. 31, 1989, to issue new set of indecency rules. NAB and other media groups plan court challenge of law's constitutionality.

Many broadcasters joined FCC in its belief that new law is "constitutionally suspect" in light of recent case law. U.S. Court of Appeals in Washington had affirmed FCC's tougher indecency enforcement policy based on premise that FCC could not ban indecency, but could channel it to times of day when few children were in audience. But court remanded case to commission to justify midnight-to-6 a.m. "safe harbor." In light of congressional action, FCC may not go ahead with its remand rulemaking.

International Satellite

State Department has "agreed in principle" to pursue special trade agreement with People's Republic of China to allow export of U.S.-made commercial satellites into PRC for launch by China's Long March launch firm, saying both sides are "definitely prepared to move forward." Hughes Aircraft-built HS 601 birds for Australian Aussat B services and Hughes-built Westar VI, now in hands of Hong Kong-based PRC-UK consortium, are proposed exports in question.

Intelsat board of governors approved

continues on page 66.

The Fifth Estate
Broadcasting
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Founder and Editor
Sol Taishoff, *(1904-1982)*

1705 DeSales Street, N.W. Washington 20036
Phone: 202-659-2340
Editorial department fax: 202-429-0651
Administrative department fax: 202-331-1732

Lawrence B. Taishoff, *publisher*

Editorial
Donald V. West, *managing editor*
Mark K. Miller, Harry Jessell, *assistant managing editors*
Leonard Zeidenberg, *chief correspondent*
Kira Greene, *senior news editor*
Matt Stump, Kim McAvoy, John S. Eggerton, *associate editors*
Susan Dillon, Adam Glenn *(international), assistant editors*
Randall M. Sukow *(technology),* **Peter D. Lambert, Lucia Cobo,** *staff writers*
Kristina I. Hoyt, *editorial assistant*
Anthony T. Sanders, *systems manager*
Todd F. Bowie, Ed Kaitz, *production*

Broadcasting ■ Cablecasting Yearbook
David Seyler, *manager*
Joseph A. Esser, *associate editor*
Deborah Segal, Tracy Turner, Paul Muller, Francesca Tedesco, *editorial assistants*

Book Division
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Advertising
Washington
Robert (Skip) Tash, *Southern sales manager*
Doris Kelly, *sales service manager*
Debra DeZarn, *classified advertising manager*
New York
David Berlyn, *senior sales manager*
Charles Mohr, Stacey Kibel, *sales managers*
Hollywood
Tim Thometz, *sales manager*
Schiff & Associates, *(Western Equipment and Engineering) 213-393-9285*

Circulation
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Production
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Administration
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Philippe E. Boucher, *controller*
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Albert Anderson, *office manager*
Nancy Miller, *personnel administrator*
Knar Gelenian, *administrative assistant to the publisher*
Shaun Gehan
Sheilene Scott, *receptionist*

Corporate Relations
Patricia A. Vance, *director*

Bureaus
New York: 630 Third Avenue, 10017
Phone: 212-599-2830
Fax: 212-599-2837
Geoff Foisie, *chief correspondent*
Scott Barrett, Rich Brown, George Mannes, *staff writers*
June Butler, *advertising assistant*
Cecelia Tyson
Hollywood: 1680 North Vine Street, 90028
Phone: 213-463-3148
Fax: 213-463-3159
Tim Thometz, *Western sales manager*
Sandra Klausner, *editorial-advertising assistant*
Stephen McClellan, *chief correspondent*
Steve Coe, *staff writer*

International Advertising Representatives
Europe and United Kingdom: Lucassen International, John J. Lucassen, Kamerlingh Onneslann 67, 1171 AC Badhoevedorp Amsterdam, Netherlands. Phone: 31(2968)9 6226. Telefax: 31 (2968)9 3617. ■ *Japan:* Masayuki Hanhara, Yukari Media Inc., 9-4-302, Miyakojima-kitadori, 2 chome, Miyakojima, Osaka, 534 Japan. Phone: (06) 925-4452. Telex: 02423928.

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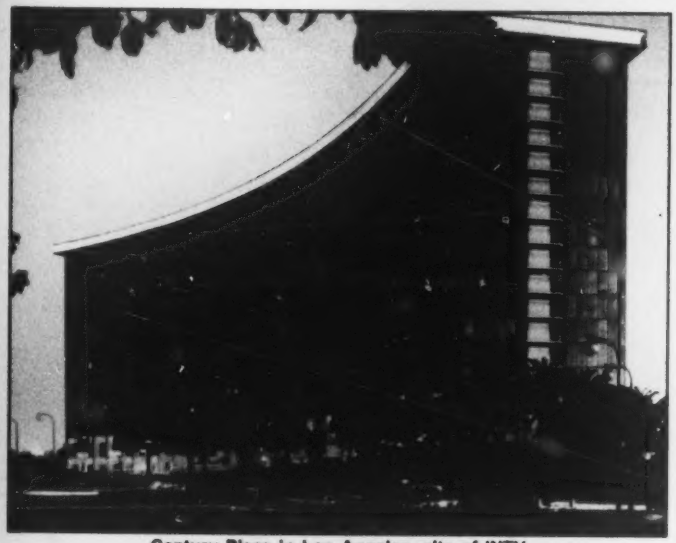

Century Plaza in Los Angeles, site of INTV

show?" Now, the question is: "Is it a good show and do we have a good time period for it?" Because of Tribune's computerized inventory system, the stations in the group are much more conscious of available inventory than they were five years ago, he added.

Schacher said that because so many syndicators were occupied with first-run shows debuting in January, he was behind schedule in looking at products for next fall. "That could change quickly," he added.

Among affiliate stations, the consensus was that the demand for programing for next fall will be the same as or less than programing demands for this season, mostly because satisfactory programing already fills available slots.

Michael McGrew, president of WAVY-TV Portsmouth, Va., said he thought he would need less programing this year from NATPE than last year. Virtually everything in his schedule this year, he said, he expected to use next year, with the possible exception of *USA Today*.

Having added *Live With Regis and Kathy Lee* and *Newhart* to the morning schedule this year, Bob McGann, station manager of CBS affiliate WCCO-TV Minneapolis, said that at this stage of the game, he, too, needed less product than last year. Another spot that might also have required syndicated programing—late night—will be filled because the station is clearing Pat Sajak's talk show.

At KPIX(TV) San Francisco, Program Manager Jim Lutton said he did not think he would require as much programing this year as last year. "I have a number of things that are working for me in early fringe." A 90-minute block of courtroom shows—which ran in later time slots last year—starts out at 3 p.m. on KPIX, followed by *Win, Lose or Draw* leading into *Kate and Allie*.

Lutton, a NATPE board member, said that stations are finding success by concentrating on different show formats, such as game, talk or courtroom shows. As the stations evolve, he said, it becomes "tougher and tougher" to find time periods for new shows. Lutton said he would wait to analyze the November book before deciding what shows he might drop next year.

Frank O'Neil, president/general manager of KXAS-TV Fort Worth, Tex., said he thought program demand would be the same as last year. One major challenge, he said, will be for people who don't have *Wheel of Fortune* to decide how to program against the top-rated show. KXAS is currently running *Win, Lose or Draw* opposite *Wheel*; he said he'd know by NATPE whether he wanted to replace the show.

"Our demand versus last year should be almost exactly the same," said Jeff Lovins, director of research and audience development for the broadcast division of A.H. Belo Corp., owner of five affiliate stations.

Five years ago, Lovins said, syndicated programs were being renewed on a year-to-year basis, with stations examining all dayparts at once. Now first-run syndication is being sold like off-network futures, he said, with shows being renewed in increments of more than one year. With *Wheel of Fortune* and *Jeopardy!* on four Belo stations and *The Oprah Winfrey Show* on all five, "That really has decided our fate for the next two years or so," Lovins said. He said that at each station, at most two half-hours were being considered for replacement in fall 1989, such as *Family Feud* at WFAA-TV Dallas and *Superior Court* and *The Judge* at WVEC-TV Hampton, Va.

Talking about the supply of new shows from syndicators, Bruce Marson, vice president of programing at WNEV-TV Boston, said: "It feels like it's going to be a slow year. We have not, to date, seen a lot of new programs." Marson said he got the sense that syndicators were not as aggressive in the past because there are so few successes among last year's crop of syndicated shows.

"I would imagine that there will be less demand this year," said Janeen Bjork, vice president/director of programing at Seltel. Rather than looking for new product, stations will be renewing current shows or trying to steal successes away from their competitors, she said. Stations aren't interested in experimenting, she said: "They're saying, 'Give me a winner!' " □

Satellite operators reap mass allocations for 1990's

FCC orbital arc plan avoids comparative hearings on slots; operators poised to make deals

It was not easy, but the FCC found enough room in the increasingly crowded geostationary orbital arc last week to assign slots for nine new and 10 replacement domestic fixed satellites, locking out none of the seven satellite operators that had applied.

Alascom, AT&T, Contel ASC, GE Americom, GTE Spacenet, Hughes Communications and newcomer National Exchange Satellite Inc. all were awarded one or more construction permits and orbital assignments last week (see chart, page 22). "We do consider the arc filled up now," said common carrier bureau Chief Jerry Brock.

In addition to 19 satellites with slots, the FCC authorized the construction of four ground spares. Of the 23 total, seven are C-band, four are Ku-band and 12 are hybrids carrying both C and Ku transponders.

Now assured of slots for their birds, the operators can firm up business plans and present more specific bids to potential customers, including the major broadcast and cable networks. "We've had to hedge everything we've said" to customers, "pending the FCC's decision," said AT&T media sales manager, David Stolz. The commission action, he said, "removes doubts that we'll be a player," and the assignments are "workable for our customers' needs."

But many of the birds may never be launched, various sources said. Because the operators over the past decade launched satellites first, sold space on them later and ran into low transponder occupancy levels, customer commitment prior to launch will be required this time around (BROADCASTING, July 18). Higher construction costs and launch insurance rates also mean $150 million to $200 million must be spent to launch each satellite. And if history is a measure, of the 20 assignments made in 1985, 16 were subsequently relinquished, according to FCC attorney Fern Jarmulnek.

Hughes was "pleased," said Carson Agnew, vice president, planning and research, that it had been awarded authority to build, launch and operate three C-band satellites to replace its cable programing birds Galaxys 1, 2 and 3; two more C-band satellites to replace Westars 4 and 5; its first two Ku satellites (Galaxys A and B), and a new C-band satellite (Galaxy 5).

(The purchase of the Westar birds from Western Union was approved Nov. 16 on delegated authority, said Brock.)

Said Agnew: "We're particularly pleased with the replacement decisions," which—by assuring replacement at positions not requiring thousands of cable operators and other users to repoint their receiving dishes—"provide continuity of service to our customers." The authorizations to launch new satellites open the way to provide new services—private business VSAT networks, for

example, via the Ku birds—he said. Indeed all of the applicants, except Alascom, applied for and were awarded Ku-band authorizations (many in hybrid form), as most are betting VSAT and satellite newsgathering demands will continue to rise.

"I think we should prioritize continuity and stability," said FCC Chairman Dennis Patrick, describing the broad ruling as a "significant achievement. Where we accommodate all qualified applicants...without comparative hearings, it is...best from both an administrative perspective, as well as from a competitive perspective."

The central principle behind the "complex engineering and policy decisions" evident in the assignments was the commission's treating the slots as "fungible," said Brock. Although only some applicants competing for the same slots were awarded exactly what they had requested, "We do not expect there to be major upsets in the business plans of the companies [awarded second or third choices], although that is a potential issue...There are certainly slots that are more attractive than others" for coverage angle, repointing or other reasons. But if the slots had been rigidly set, he said, "we would not have been able to accommodate nearly so many satellites."

Some assignments, however, could prove entirely unworkable. "There may be some question about the viability" of Hughes's plans for one new C-band satellite, Galaxy 5, assigned to 64 degrees west longitude, said Hughes's Agnew. With that position, at the eastern edge of the domestic arc, transmission to "Hawaii is out of the question"—not an ideal proposal to offer a programer, he said. Hughes has already told the FCC it "is prepared to return" its earlier awarded Galaxy 4 license, "because that assignment [141 degrees, at the western edge of the arc] is far too unfavorable for us."

Also evident in the decisions was the FCC's prioritizing requests for assignment of replacement satellites to the same slots occupied by the applicants' current in-orbit birds. Although the commission declined to issue an absolute renewal expectancy rule—that you "have a right to a slot" established over time by operating an in-orbit satellite there—said FCC General Counsel Diane Killory, the commission "considers the need for stability and capital investment" made by the operators and their customers.

Most replacement birds were assigned slots within one degree of their predecessors, and only Spacenet 1R was assigned a slot more than six degrees away. Although Americom's Oct. 1 applications to replace its Satcom satellites later in the 1990's were not among the authorizations, the commission tacitly awarded the current Satcom slots to Americom by keeping them open.

The commission also denied two related applications during its Nov. 17 open meeting: Contel ASC's request to move ASC 2 to a new orbital slot and the Mobile Satellite Service (MSS) consortium's request that the commission reserve some of the fixed-satellite service spectrum for its use.

A Contel ASC spokeswoman said the company was "pleased" about the assignment of its C-Ku-band Contelsat 1 to the 101 degree hybrid slot, for which four other applications were pending. It declined further comment on the actions, including the ASC 2 denial, until it had assessed the full bureau report.

The decision to award Westar IV's slot, 99 degrees, to Westar buyer Hughes, rather than Contel ASC, which owns Westar IV transponders, also demonstrated the commission's deference to operators. "The commission does not deal with the transponder owner, but with the satellite operator," said Brock.

However, "as the result of the trilateral agreement" to share the arc with Mexico and Canada," said an FCC report on the actions, three satellites now in orbit will be required to relocate: Hughes must move Galaxy I one degree; Contel ASC must move ASC 1 one degree and GTE's GStar 1 must move 18 degrees (103 to 121).

In denying the MSS request, the commission said that reserving 100 mhz of each 500 mhz Ku-band allocation for MSS use "results in inefficient use of the spectrum."□

FCC fixed satellite service orbital assignments

Applicant	*Satellite*	*Designation*	*Band*	*Orbital Slot*
Alascom	Aurora 2	Replacement	C-band	137°
ATT	Telstar 401	Replacement	Hybrid	97°
	Telstar 402	Replacement	Hybrid	89°
	—	Ground spare	Hybrid	—
Contel ASC	Contelsat 1	New	Hybrid	101°
	Contelsat 2	Replacement	Hybrid	129°
GE Americom	Satcom H-1	New	Hybrid	79°
GTE Spacenet	Spacenet 1R	Replacement	Hybrid	103°
	Spacenet 2R	Replacement	Hybrid	69°
	—	Ground spare	Hybrid	—
	GStar	Replacement	Ku-band	—
	GStar 4	New	Ku-band	64°
Hughes	Galaxy 1R	Replacement	C-band	133°
	Galaxy 2R	Replacement	C-band	74°
	Galaxy 3R	Replacement	C-band	95°
	Westar 4R	Replacement	C-band	99°
	Westar 5R	Replacement	C-band	125°
	Galaxy 5	New	C-band	64°
	Galaxy A	New	Ku-band	99°
	Galaxy B	New	Ku-band	131°
National Exchange	Spotnet 1	New	Hybrid	135°
	Spotnet 2	New	Hybrid	76°
	—	Ground spare	Hybrid	—

NBC News going worldwide with Visnews

Network material will be distributed overseas; it also buys 38% interest in company from Reuters for $10 million

In NBC's first definitive step into the world of international news programing, the network last week tapped video news agency Visnews to syndicate NBC News programs and footage worldwide.

Visnews has already signed its first contract using the expanded NBC News product supply—its largest ever—an approximately $54 million, five-year deal with Rupert Murdoch's new British satellite service, Sky Television News.

The NBC-Visnews alliance is tied to the American network's long-awaited $10 million acquisition of a 37.75% stake in the London-based agency from majority shareholder Reuters, whose holdings will drop from 88.75% to 51%. Visnews founder British Broadcasting Corp. holds the remaining 11.25%.

NBC has provided Visnews with domestic news footage for years, but agreed to the 10-year stake, effective next. Jan. 3, at a time when Visnews is expanding its business as provider of basic news footage to include news programing and "value-added" news services.

The NBC deal comes after two relatively unsuccessful news programing projects by the network, one a plan to offer NBC News programing via satellite to European hotels, and another to co-produce an international news magazine.

Rival U.S. news organizations have made their own moves into international news programing. CBS, for instance, supplies a news feed overseas, has signed a deal with Visnews counterpart World Television News (WTN), has sold its flagship *Evening News* program to broadcasters in France, Japan and elsewhere and also expects to see its news on a British direct broadcast satellite channel rivaling Murdoch's Sky.

Ted Turner's CNN has beamed an international version of its 24-hour news service for several years to overseas cable and hotel viewers and to broadcasters for excerpting,

Sajak sidekick. CBS has announced two appointments on *The Pat Sajak Show*. Dan Miller will serve as Sajak's sidekick and announcer. Miller and Sajak worked together for five years (1972-77) at WSMV-TV Nashville, where Sajak was the station's weatherman, and Miller, the station's anchorman. Tom Scott, jazz saxophonist, composer and producer, will be musical director of the late-night talk show. The show premieres Monday, Jan. 9, 1989.

'Sesame Street' counts to 20. The diverse cast of public television's *Sesame Street*, pictured above, began the series' 20th season on PBS last Monday (Nov. 14) with a series of celebrations that will include an exhibit at the Smithsonian Institution in Washington next spring and a Museum of Modern Art salute in New York next fall.

Robert MacNeil, William F. Buckley Jr., Charlayne Hunter Gault, Mark Russell, Alistair Cook and other PBS personalities have taped tune-in spots for *Sesame Street*'s coming season, which will also see new filmed introductions; a new Muppet character, Blue Bird; a new Japanese cast member, Haroshi; new curriculum to encourage early interest in science, and more continuing plots.

Sesame Street's producer, Children's Television Workshop, founded by Joan Ganz Cooney, also pictured above, has begun a multi-year research project to study how children are affected by the show.

dio Six Productions/WCIX-TV Orlando, said they would jointly produce a new one-hour weekly show for next fall called *Movie Lot Magazine*, featuring entertainment and industry news.

A couple of other programs are being tested for possible roll-out in national syndication for next fall. King World announced its first so-called "R&D" project to be tested for one month on stations owned by six groups beginning Jan. 9. The program is a late-night show called *Offshore TV* from Saban Productions (BROADCASTING, Oct. 24). Mark Hudson will star (and co-produce with brother, Brett) as the operator of an offshore pirate television facility. The show will feature fast-paced skits in the Monty Python tradition, as well as musical performances.

The show is being jointly funded by King World and the six station groups (Gillett, Group W, King Broadcasting, Midwest Communications, Post-Newsweek and Scripps Howard); word is expected shortly on which stations will take part in the test.

Group W's KPIX(TV) San Francisco is developing a reality program entitled, *Can this Marriage be Saved?* It will be distributed to a few other Group W stations, as well as some stations not owned by the company. If it works, the show is seen as a candidate for national syndication. □

Election night, week, go to NBC; CBS, ABC tie for news

The third week of new fall programing—the eighth week of this season (ended Nov. 13)—went to NBC's 15.2 rating and 24.2 share. ABC came in second for the week with a 13.6/21.7, while CBS closed with an 11.3/18. That works out to a combined 40.1 rating for the big three, a slim one-tenth of a rating point above week seven and represents 36.25 million households delivered.

The erosion trend continues. Last year at this time the big three managed to deliver about 39 million households. In 1986 the figure was about 42 million.

In the news race, CBS and ABC tied for first place with a 10.7/19. NBC pulled in just behind with a 10.5/19.

Election night (Tuesday, Nov. 8) went to NBC's 11.7/18.3 average, just ahead of ABC's 11.5/17.8, and almost two points ahead of CBS's 10.0/15.5. Together, the three networks delivered a combined 33.2 rating, or 30 million households.

The 30-minute broadcast by the Dukakis-Bentsen ticket on Monday night (8 p.m.) pulled in an 8.7/14 on NBC, a 7.7/12 on CBS and a 6.7/11 on ABC. The Bush-Quayle broadcast, at 8:30 p.m. Monday night, garnered a 7.8/12 on NBC, a 6.9/11 on CBS and a 6.3/10 on ABC. In all three cases, the ratings numbers dropped at 8:30. ABC won the night with its *Monday Night Football* broadcast at 9 p.m., which ranked 13th for the week and averaged a 16.8/28. This gave ABC a 13.6/21.3 for the night, over CBS's 11.6/17.9 and NBC's 11/17.

ABC's Sunday night opening broadcast of the "maxi-series" *War and Remembrance*, came up with a 21.8/31 to rank fourth for the week.

Nielsen		Net
1.	30.3/47	N Cosby Show
2.	23.5/35	N Cheers
3.	22.1/37	N Golden Girls
4.	21.8/31	A War and Remembrance
5.	20.2/31	C 60 Minutes
6.	19.9/31	A Growing Pains
7.	19.3/34	N Empty Nest
8.	19.1/32	N L.A. Law
9.	18.5/28	A Head of the Class
10.	18.2/28	N Dear John
11.	18.0/26	N NBC Sunday Movie
12.	17.7/27	N Night Court
13.	16.8/28	A Monday Night Football
14.	16.6/27	A ABC Wednesday Movie
15.	16.5/23	C Murder, She Wrote
16.	16.2/28	N Amen
17.	15.9/26	C Knots Landing
18.	15.8/29	N Hunter
19.	15.8/24	N Unsolved Mysteries
20.	15.1/21	N Family Ties
21.	14.9/26	N 227
22.	14.3/24	C Dallas
23.	14.1/25	A 20/20
24.	14.0/24	A Full House
25.	13.7/21	C CBS Monday Movie
26.	13.3/23	A Perfect Strangers
27.	13.1/20	N Baby Boom
28.	13.1/23	N Miami Vice
29.	12.9/20	N Magical World of Disney
30.	12.4/19	A Dynasty
31.	12.3/19	N NBC Monday Movie
32.	12.2/20	A Mr. Belvedere
33.	12.2/21	C Wiseguy
34.	12.2/18	N Decision 88 Elect., 9:30pm
35.	12.1/18	A 88 Vote, 9pm
36.	12.1/18	A 88 Vote, 9:30pm
37.	12.1/18	C CBS Sunday Movie
38.	12.1/21	C Falcon Crest
39.	12.0/18	N Decision 88 Elect., 10pm
40.	11.7/18	N Decision 88 Elect., 9pm
41.	11.6/19	N Decision 88, 10:30pm
42.	11.5/19	N Decision 88 Elect., 8pm
43.	11.4/18	A 88 Vote, 8:30pm
44.	11.4/18	N Decision 88 Elect., 8:30pm
45.	11.3/17	A 88 Vote, 10pm
46.	11.2/19	A Just the Ten of Us
47.	11.2/19	N NBC Friday Movie
48.	11.1/18	A 88 Vote, 8pm
49.	11.0/18	A 88 Vote, 10:30pm
50.	10.8/19	A Crimes-Century Special
51.	10.8/16	C Paradise
52.	10.6/16	C Equalizer
53.	10.4/17	C Campaign 88 Elect., 8pm
54.	10.3/15	C Campaign 88 Elect., 9pm
55.	10.2/16	C Campaign 88, 8:30pm
56.	10.1/16	A Incredible Sunday
57.	9.8/15	C Campaign 88 Elect., 10pm
58.	9.7/16	C Campaign 88, 10:30pm
59.	9.7/17	C America, C. Brown, part 4
60.	9.6/16	C Cathy's Last Resort
61.	9.6/16	N Tattinger's
62.	9.3/14	C Campaign 88, 9:30pm
63.	9.3/14	C 48 Hours
64.	8.9/16	A Police Story
65.	8.7/14	N Dukakis-Bentsen
66.	8.1/11	F America's Most Wanted
67.	7.8/12	C Annie McGuire
68.	7.8/12	N Bush-Quayle Campaign
69.	7.7/12	N Dukakis-Bentsen
70.	7.5/12	A National Love and Sex Test
71.	7.5/13	C Dirty Dancing
72.	7.3/11	C Van Dyke Show
73.	7.3/11	F 21 Jump Street
74.	7.1/12	N Decision 88 Elect., 7:30pm
75.	7.0/12	A 88 Vote, 7:30pm
76.	7.0/12	C Simon and Simon
77.	7.0/13	C West 57th
78.	6.9/11	A Knightwatch
79.	6.9/11	N Bush-Quayle Campaign
80.	6.7/11	N Dukakis-Bentsen
81.	6.7/9	F Married...With Children
82.	6.4/11	C Campaign 88, 7:30pm
83.	6.3/10	N Bush-Quayle Campaign
84.	6.1/11	C Campaign 88 Elect., 7pm
85.	6.0/11	A 88 Vote, 7pm
86.	6.0/10	C Raising Miranda
87.	5.5/10	N Decision 88 Elect., 7pm
88.	3.9/5	F Gary Shandling Show
89.	3.5/6	F Reporters
90.	3.2/5	F Tracey Ullman Show
91.	3.0/5	F Duet
92.	2.7/5	F Beyond Tomorrow

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cities' regulatory authority, but severely restricted it. And, while it put the cities' entitlement to annual franchise fees of up to 5% of gross revenues into law, it also prohibited most cities from regulating cable rates as of Dec. 29, 1986.

"The primary characteristic of the regulatory structure that was dismantled was repressive," says NCTA President Jim Mooney, who has been instrumental in the dismantling. "The FCC had suppressed cable in the interest of broadcasters and that was the policy. But I think people recognized the possibilities of cable, to understand that it was in the public interest to allow cable to develop rather than to continue to suppress it."

Just the prospect of prices being uncapped generated a financial boom. As projected cash flow spiraled upward, so did the prices of cable systems. The financial picture was enhanced also as the capital expenditures of system construction began to decrease.

What followed the Cable Act of 1984 was a period of rapid horizontal and vertical integration led by Tele-Communications Inc., the largest cable operator in the nation.

Because of rate deregulation, cable operators not only had more cash, they also had more borrowing power. "What it did was create liquidity, which we used to acquire additional cable operations, rebuild plant and invest in programing," says TCI President John Malone. "With deregulation, you are basically a [programing] purchasing agent for your subscribers. If you think it is a good shot to go into and invest in new programing, you can go ahead and do it."

Cable operators' interest in programing, in part, came from their recognition that programing, not a transmission medium, was their principal product and that if they intended to be long-term cable operators they had better establish some control over that product. And, in some cases, they merely wanted to save services from going under. TCI and others took a substantial position in the Discovery Channel when it appeared headed for extinction. "We didn't go into it because we wanted control," says Malone. "We went into it because we wanted to save it."

TCI was also among the operators who took a just-less-than-controlling interest in Turner Broadcasting System after it became hopelessly mired in the debt of Turner's purchase of MGM-UA Entertainment in March 1986. "Turner would have been owned by Rupert Murdoch if the cable industry hadn't rallied and put in some equity capital," says Malone. "We really did not want to see the most valuable programer converted to some other industry. We made the move defensively to protect the independence of the service."

Back to the Future

In Washington today, the cable industry has become a victim of its own success. The industry got so big so fast that a chorus has been raised calling for reregulation, for some control on its growing market power. The motion picture industry wants restrictions of vertical integration. Broadcasters want a new set of must-carry rules. And the cities want to reopen the Cable Act to recapture some of the regulatory power they have lost because of the Act's interpretation by the FCC and the courts.

The real threat of the moment, however, is the telephone industry, which is agitating to remove the regulatory barriers so they can offer video services along with telephone services. Cable operators believe that if telephone companies were allowed to compete with cable in their telephone service areas, they would inevitably subsidize their cable service with telephone revenues and, thus, compete unfairly. And they don't believe the FCC can prevent cross-subsidization. "I don't think the FCC has the monitoring skills to keep the process honest," says Malone.

In a sense, the industry has come full circle. The list of groups unhappy with cable looks a lot like what Daniels described in the early years. The difference is that cable is not the young upstart anymore; it is in more control of its destiny. "It's a helluva lot easier to tell the underdog story and get the sympathy of judicial bodies and politicians," admits Daniels. "Now that we are riding high, we are going to be attacked." Still, Daniels believes cable has a strong story to tell the policymakers. "If we go into every town, your constituents are watching 37 channels and they love it. Your constituents are no longer second class television citizens. That is a powerful story to tell any elected official . . . and that's what I think is our real legacy."

This "Special Report" was written by Matt Stump and Harry Jessell

Mileposts on the Road to 40

The following is a list of cable's milestones culled principally from the pages of BROADCASTING Magazine and the National Cable Television Center & Museum. In most cases, dates refer to specific issues of BROADCASTING.

1948-1952—Several CATV pioneers set up transmission systems to relay broadcast television signals to homes that cannot receive off-air reception.

June 9, 1952—National Community Television Association holds first meeting at Necho Allen hotel, Pottstown, Pa., where Martin Malarkey has built CATV system. Malarkey is elected chairman.

1953—E. Stratford Smith is elected first NCTA executive director.

1956—Bill Daniels is elected chairman of the NCTA.

Sept. 7, 1957—Bartlesville, Okla., is site of wired pay TV test, assembled by theater chain.

1958	
Subscribers	450,000
Penetration	1.1%
Revenue	$36,690,000

April 7, 1958—FCC disclaims jurisdiction over CATV in *Frontier Broadcasting* case, ruling that CATV systems are not common carriers.

May 26, 1958—Bartlesville pay TV experiment fails.

Sept. 8, 1958—Ed Craney, owner of KXLF-TV Butte, Mont., goes to court to stop Helena CATV company from picking up signal without permission.

May 23, 1960—Senate, by one vote, kills bill that would put CATV under FCC regulation.

June 13, 1960—Montana district judge dismisses suit by KXLF-TV.

July 3, 1961—District court rules that Idaho CATV operators can retransmit signals of three Salt Lake City television stations.

May 27, 1963—Appeals court approves FCC practice to use licensing powers to protect broadcasters from CATV operators in Carter Mountain case.

Oct. 7, 1963—H&B American and RKO plan merger bringing together 100,000 subscribers.

Dec. 14, 1964—CBS sues Teleprompter over unauthorized pickup of CBS programing without copyright owner's consent.

Jan. 4, 1965—FCC Commissioner Frederick Ford leaves post to become NCTA president.

April 26, 1965—FCC asserts authority over CATV; proposes local signal carriage requirements and elimination of importation of distant signals.

Aug. 2, 1965—FCC decides not to ban TV-CATV crossownership.

Dec. 6, 1965—New York issues CATV franchise to Sterling for southern Manhattan, Teleprompter for northern Manhattan and CATV Enterprises for Riverdale.

Feb. 21, 1966—FCC sets rules requiring CATV systems to carry local signals—so-called must-carry rules—and stop importation of distant signals in major markets.

May 30, 1966—District court upholds CATV liability for copyright infringement in case where Fortnightly Co. picked up TV signals from station which had bought license to film rights from United Artists.

May 29, 1967—Appeals court upholds CATV liability in *Fortnightly* case.

July 3, 1967—NCTA changes the "C" in its title from Community to Cable.

1968

Subscribers	3,500,000
Penetration	6.4%
Revenue	$240,000,000

June 17, 1968—Supreme Court gives FCC sweeping jurisdiction over cable in case where expansion of systems in San Diego was restricted pending commission hearing on importation of Los Angeles signals into that market.

June 24, 1968—Supreme Court reverses appeals court decision in *Fortnightly* case, saying cable systems do not incur copyright liability for programing they retransmit.

July 1, 1968—FCC requires that telephone companies apply to FCC for certification before building cable systems.

Dec. 16, 1968—FCC proposes rules to limit distant signal importation in all markets, require program origination and tightly control pay TV.

June 23, 1969—On-again, off-again talks between NCTA and NAB are off again as NAB board scraps joint staff agreement on cable regulation as broadcasters demand more protection.

Oct. 27, 1969—FCC requires program origination by cable systems with more than 3,500 subscribers.

Nov. 3, 1969—Supreme Court upholds FCC decision to require telephone companies to apply for certificate with commission before building cable systems. AT&T announces it will ease restrictions on pole leasebacks.

Feb. 2, 1970—FCC adopts rule prohibiting telephone companies from owning cable systems within their own service areas.

Feb. 9, 1970—Supreme Court upholds right of Nevada state PUC to regulate cable, causing other state PUC's to adopt regulations covering cable.

March 2, 1970—Supreme Court refuses review of FCC's pay TV decision.

March 30, 1970—FCC opens door to authorize domestic satellite operators.

June 29, 1970—FCC adopts wide range of cable rules, including restrictions on broadcast network ownership, crossownership within same market, siphoning of sports, expansion of distant signal importation and program origination, and setting of franchise fees.

July 6, 1970—CBS spins off program syndication and cable division into Viacom.

Oct. 19, 1970—Midwest Video challenges FCC's rules on cable systems originating programing.

May 19, 1971—Appeals court overturns FCC program origination guidelines.

Oct. 25, 1971—Irving Kahn, chairman of Teleprompter, is convicted of bribery, conspiracy and perjury in case obtaining cable franchise in Johnstown, Pa.

Nov. 15, 1971—Office of Telecommunications Policy compromise on cable rules is agreed to by cable and broadcasters, laying groundwork for further FCC action following year.

Feb. 7, 1972—FCC announces new package of cable rules in massive report and order that will take effect March 31. Rules address syndicated exclusivity, distant signal importation, public access channels and technical standards.

May 8, 1972—District court rules against CBS, saying cable can pick up signals without incurring copyright liability.

July 24, 1972—Cox Cable and ATC propose merger; six months later, Justice Department objects.

Nov. 8, 1972—HBO's inaugural cablecast is National Hockey League game transmitted to Service Electric system in Wilkes-Barre, Pa.

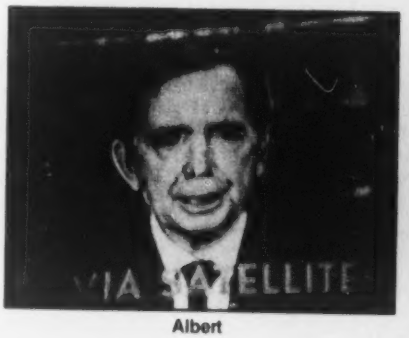
March 12, 1973—New York appeals court overrules district court in CBS copyright case, saying cable companies are liable for costs incurred in retransmission of local signals.

March 23, 1973—HBO produces first original pay TV event, *Pennsylvania Polka Festival*, from Allentown, Pa., fairgrounds.

HBO's polka festival

April 23, 1973—Cox and ATC decide to call off merger, rather than engage in antitrust fight.

June 25, 1973—Teleprompter's national satellite system allows House speaker Carl Albert, in Washington, to address NCTA convention 3,000 miles away in Anaheim, Calif. FCC chairman Dean Burch says cable-network competition is "a good thing."



Albert

Sept. 17, 1973—FCC culminates year of loosening rules on satellites by approving application of five Domsat companies, paving way for satellite transmission of cable programing.

Oct. 22, 1973—Jack Kent Cooke takes over as chairman of Teleprompter during suspension of company's stock trading.

Jan. 21, 1974—White House releases report on cable calling for substantial deregulation and for separation of control of content and transmission as soon as industry hits 50% penetration.

March 11, 1974—Supreme Court overturns appeals court ruling in CBS copyright case, saying cable companies are not liable to pay copyright fees for programing they carry. Court also throws out FCC rules on assessing fees on industries it regulates, including cable.

March 24, 1975—FCC completes rules loosening restrictions on pay cable, paving the way for HBO's expansion.

June 30, 1975—Robert Schmidt becomes NCTA president.

July 14, 1975—FCC removes cable rebuild requirement deadline of March 31, 1977.

Oct. 6, 1975—HBO provides first live satellite feed of event, as Florida and Mississippi systems see Ali-Frazier fight from Manila.

Feb. 2, 1976—House Telecommunications Subcommittee report charges FCC with protecting broadcasters, recommends cable-only legislation.

April 5, 1976—Cable Television Administration & Marketing Society incorporates, with Greg Liptak elected president.

Oct. 4, 1976—Congress passes copyright law creating structure for cable operators to make yearly copyright payments to Copyright Royalty Tribunal.

Dec. 20, 1976—Ted Turner puts WTCG(TV) Atlanta, now WTBS(TV), on satellite for nationwide cable distribution. FCC approves use of earth stations with antennas less than nine meters in diameter.

Feb. 14, 1977—Warner Cable announces it will offer two-way interactive Qube service in Columbus, Ohio.

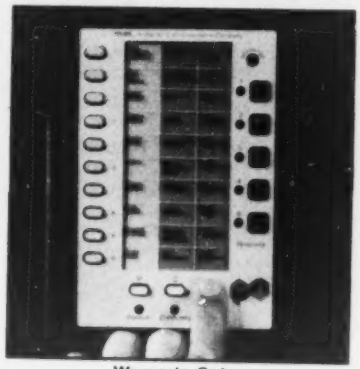
March 28, 1977—Appeals court overturns FCC pay cable rules,

designed to protect broadcasters from cable siphoning of sports and movie programing.

Oct. 17, 1977—HBO reports its first quarterly profit.

Dec. 5, 1977—Warner Cable inaugurates Qube in Columbus.

1978	
Subscribers	12,817,190
Penetration	17.5%
Revenue	$1,500,000,000



Warner's Qube

Feb. 13, 1978—Congress passes pole attachment bill.

March 13, 1978—Viacom begins nationwide satellite distribution of Showtime.

Oct. 30, 1978—FCC endorses "open entry" policy for satellite resale carriers, giving boost to concept of superstations. Four carriers are granted permission to distribute WGN-TV Chicago, joining Turner's WTCG(TV), which plans to sell advertising now at national rates, on satellite.

March 19, 1979—Cable Satellite Public Affairs Network, with live coverage of House of Representatives, is launched.

April 9, 1979—Supreme Court throws out FCC local origination rules.

May 28, 1979—Ted Turner announces plans for Cable News Network, 24-hour service devoted to news.

July 16, 1979—Thomas Wheeler becomes NCTA president.

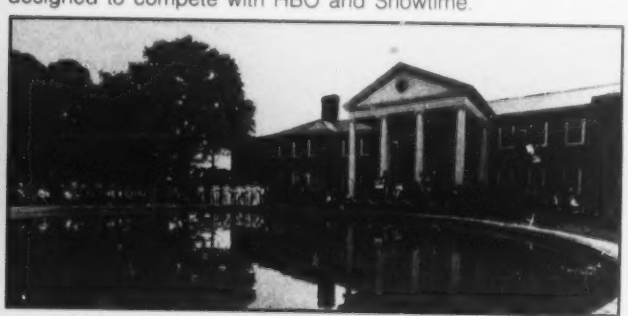
Sept. 3, 1979—ESPN, 85% owned by Getty Oil at time, is launched.

Feb. 4, 1980—Black Entertainment Television is launched.

April 14, 1980—UA-Columbia Cablevision and Madison Square Garden Corp. form USA Network.

April 21, 1980—Appeals court affirms FCC order freeing cable systems from obligation to black out "significantly viewed" distant signals that duplicate local ones.

April 28, 1980—Getty Oil, Columbia Pictures, MCA, Paramount and 20th Century Fox announce Premiere, pay television venture designed to compete with HBO and Showtime.



CNN's dedication

June 2, 1980—Turner launches Cable News Network.

June 30, 1980—CTAM lays foundation for creation of Cabletelevision Advertising Bureau.

July 28, 1980—FCC repeals cable distant signal importation and syndicated exclusivity rules.

Oct. 20, 1980—Westinghouse and Teleprompter propose $646 million merger.

Nov. 24, 1980—Appeals court stays FCC order lifting distant signal and syndicated exclusivity rules.

Dec. 15, 1980—Former CBS President Arthur Taylor forms Entertainment Channel with Rockefeller Center.

Feb. 23, 1981—Cable company awarded $6.3 million in conspiracy suit that implicated mayor and Gulf Coast Cable in limiting competition of Houston cable awards. Bob Alter named president of CAB.

June 8, 1981—Partners in Premiere dissolve service after Justice Department attacks plan on antitrust grounds.

June 22, 1981—Appeals court backs FCC's repeal of distant signal and syndicated exclusivity rules.

Aug. 3, 1981—MTV, 24 hours of music videos, is launched.

Aug. 10, 1981—Times Mirror announces it will launch 24-hour movie service, Spotlight, on Sept. 1. Other MSO's will eventually invest in the service, but venture will ultimately fail.

Aug. 17, 1981—Westinghouse and ABC form Satellite News Channels, second 24-hour news operation that will compete with CNN.

Aug. 31, 1981—Ted Turner announces he will launch CNN2, to compete with SNC.

Oct. 12, 1981—CBS Cable is launched. Industry holds first Cable Software Symposium in New Orleans.

Jan. 4, 1982—RCA's Satcom III-R begins transmission of cable programing, and will soon become prime cable bird. Turner launches CNN2, later renamed Headline News.

Jan. 18, 1982—Supreme Court rules in *TCI vs. Boulder, Colo.*, that municipalities are not immune from antitrust suits. Supreme Court also refuses to review of *Malrite* case, thus upholding FCC's repeal of distant signal and syndicated exclusivity rules.

June 21, 1982—Satellite News Channel is launched.

Aug. 23, 1982—Time announces plans to launch TV-Cable Week, weekly programing guide.

Sept. 30, 1982—CBS shuts down CBS Cable after suffering $30 million in losses.

Oct. 25, 1982—Copyright Royalty Tribunal sets new 3.75% rate for copyright payments on distant signals.

Nov. 15, 1982—Mile Hi Cablevision announces it will reduce 110-channel new build to 55 channels, in light of lawsuit brought by Mountain States Legal Foundation against city and company.

Jan. 10, 1983—Showtime and The Movie Channel announce merger.

Feb. 28, 1983—Supreme Court clears Eastern Microwave from copyright payments.

March 7, 1983—Nashville Network is launched by Group W.

April 11, 1983—Quincy, Mass., cable system appeals constitutionality of FCC's must-carry rules.

April 18, 1983—Disney Channel is launched.

June 20, 1983—Daytime and Cable Health Network merge into what will become Lifetime.

Sept. 19, 1983—Time folds *TV-Cable Week* after $47 million in losses.

Sept. 26, 1983—Kohlberg, Kravis, Roberts buys Wometco for $842 million.

Oct. 17, 1983—Turner buys SNC for $25 million, then shuts it down.

Nov. 14, 1983—FCC rules that local governments cannot regulate nonbasic cable rates in Nevada decision.

Dec. 19, 1983—Showtime buys Spotlight.

Jan. 9, 1984—Appeals court affirms CRT 3.75% rate decision.

Jan. 16, 1984—Warner Cable announces it will scale down scope of new builds in Milwaukee and Dallas.

Jan. 23, 1984—Supreme Court rules that home taping is legal.

April 9, 1984—James Mooney assumes NCTA presidency from Tom Wheeler.

April 16, 1984—TCI said it will scrap Qube system if it buys Warner's Pittsburgh cable franchise.

May 7, 1984—ABC exercises option and takes majority control of ESPN with $202 million purchase.

Aug. 13, 1984—Appeals court rules that Houston franchise process of dividing city among several applicants violated

antitrust law.

Oct. 15, 1984—Congress passes Cable Communications Policy Act. Bill deregulates rates as of Jan. 1, 1987, permits franchise authorities to charge operators 5% franchise fee and require

NCTA's Jim Mooney and Bert Carp

local access channels, establishes franchise renewal process, prevents telephone companies from owning cable systems in their own service areas, and requires FCC to provide yearly EEO certification.

Dec. 1, 1984—Turner shuts down one-month-old Cable Music Channel, selling assets to MTV for $1 million.

March 11, 1985—Appeals court gives cable First Amendment victory in *Preferred Los Angeles decision*, declaring cities cannot use franchising process to deny cable operator access.

April 1, 1985—Appeals court rules that *Pacifica* indecency standards do not apply to cable.

April 8, 1985—Justice Department approves 180,000 subscriber swap between Times Mirror and Storer, clearing way for practice of swapping systems for economic clustering benefits.

April 22, 1985—Turner officially launches $5.2 billion bid for CBS.

April 29, 1985—KKR launches $2 billion buyout bid for Storer Communications.

June 24, 1985—Discovery Channel launches.

July 22, 1985—Appeals court overturns *Quincy* decision, ruling FCC's must-carry rules unconstitutional.

Aug. 5, 1985—CBS successfully fights off Turner. Storer board chooses KKR over Comcast as suitor.

Aug. 12, 1985—One week after losing CBS fight, Turner launches $1.5 billion bid for MGM/UA. Warner Communications buys out American Express interest in Warner Amex for $450 million.

Sept. 2, 1985—Viacom purchases MTV Networks for $690 million.

Sept. 30, 1985—Appeals court throws out FCC's pole attachment rate formula in *Alabama Power* case.

Oct. 28, 1985—Council for Cable Information disbands after 10 months in operation.

Nov. 25, 1985—Appeals court backs Southern Satellite in WTBS(TV)-Hubbard copyright case.

Dec. 2, 1985—Viewer's Choice and Request Television launch pay-per-view services.

Dec. 30, 1985—Five MSOs—TCI, ATC, Comcast, Century and Daniels—make $2.1 billion purchase of Group Ws 2.1 million subscribers, largest cable deal to date.

March 3, 1986—Cable and broadcast industries agree to must-carry compromise. Senate votes for televised coverage of proceedings, laying foundation for C-SPAN II, which launches June 2.

May 5, 1986—HBO's feed is interrupted by "Captain Midnight," protesting pay service's pricing and scrambling.

June 9, 1986—Supreme Court sends *Preferred* case back to trial court, further muddying cable's First Amendment status.

June 16, 1986—Supreme Court denies review of *Quincy* must-carry case, sealing fate of first set of must-carry rules.

June 30, 1986—Four MSOs, TCI, United Cable, Cox and Newhouse, take 40% stake in Discovery Channel, signaling beginning of greater MSO participation in programing services.

Aug. 11, 1986—General Instrument buys M/A Com's cable division for $220 million.

Sept. 1, 1986—Appeals court backs district court's $36 million verdict against TCI in *Jefferson City, Mo.*, case. TCI contended that First Amendment entitled it to continue operating there after city revoked its franchise.

Sept. 15, 1986—Appeals court rules that Utah law aimed at "obscene" programing on cable violated First Amendment.

Oct. 6, 1986—Home satellite scrambling bill is defeated 55-44 in waning days of congressional session.

Jan. 26, 1987—Kirk Kerkorian and 14 cable operators take 35% stake in Turner Broadcasting for $550 million, giving cable operators greater control of TBS.

Feb. 16, 1987—FCC opens rulemaking on reestablishing syndicated exclusivity rules and removing cable's compulsory license.

March 2, 1987—Supreme Court rules in Florida Power case that FCC can regulate pole attachment rates.

March 9, 1987—Sumner Redstone and National Amusements win battle for Viacom, in $3.4 billion buyout offer. Supreme Court upholds decision in *TCI-Jefferson City, Mo.*, case. Decision leaves open interpretation that cable is natural monopoly.

March 23, 1987—ESPN gains part of NFL contract for Sunday night games.

March 30, 1987—FCC adopts new version of must-carry rules, including five-year sunset and A/B switches that subscribers, not cable systems, will pay for. Supreme Court rules that Utah "obscene" programing statute violated cable operator's First Amendment rights.

Nov. 9, 1987—Telephone companies launch offensive to be allowed to own cable systems in their service areas. ESPN carries first NFL regular season game.

Dec. 14, 1987—Appeals court rules FCC's second attempt at must-carry rules unconstitutional.

Jan. 4, 1988—TCI, Comcast and ATC contract to buy Storer Communications for $2.8 billion, record cable system purchase. Deal will come unglued, but TCI and Comcast will reenter talks later to buy company for approximately same price.

Jan. 11, 1988—Appeals court backs Hollywood's contention on interpretation of copyright fees cable operators pay. Ruling effectively doubles cable operator payments to CRT and puts distant signal carriage in further jeopardy.

1988

Subscribers	47,042,470
Penetration	52.8%
Revenue	$13,000,000,000

April 18, 1988—FCC approves GTE's application to build cable system in Cerritos, Calif., within company's service area.

May 9, 1988—NBC buys Tempo Television from TCI for $46 million, giving broadcast network further foothold in cable industry. Fourteen MSO's and five networks form Cable Captioning Consortium, to support closed captioning for hearing impaired.

May 23, 1988—FCC votes to reinstitute syndicated exclusivity rules.

June 20, 1988—NTIA releases 127-page report suggesting changes in cable's regulatory framework, including telephone company entry.

July 4, 1988—Deal by five cable programers to work with National Rural Telecommunications Cooperative takes wind out of sails for passage of TVRO bill.

Oct. 3, 1988—Turner launches Turner Network Television.

Oct. 31, 1988—FCC asks Congress to repeal compulsory license.